COMMONWEALTH OF MASSACHUSETTS Department of Telecommunications and Energy

RESPONSE OF THE ATTORNEY GENERAL TO THE SECOND SET OF INFORMATION REQUESTS FROM THE BAY STATE GAS COMPANY DTE 05-27

Dated: August 2, 2005

Responsible Party: Jon Cavallo

BSG-AG-2-35 Please refer to the Cavallo Testimony at p. 14, line 10. Comment on the following: Bay State's progressively downward trend in number of main leaks during 2000-2004 is attributed to Bay State aggressively retiring approximately 20 percent of its unprotected coated steel and approximately 12 percent of its bare unprotected steel main during that five year period

Response: Refer to Page 1 of 4 of BSG's Attachment AG-02-01. It is apparent that, from the data in Column B, "Unprotected Bare Steel," that the length of unprotected bare steel in the Brockton Division system has been reduced during 2000-2004 from 338 miles to 305 miles, approximately 10 percent. Similarly, it is apparent that from the data in Column C, "Unprotected Coated Steel," that the length of unprotected coated steel in the Brockton Division system has been reduced during 2000-2004 from 76 miles to 63 miles, approximately 17 percent.

Examining the data contained in Column O, "Cor" it is apparent that the aggregate number of leaks attributed to corrosion alone has decreased during the 2000-2004 period from 635 to 509, approximately 20 percent. A conclusion could be reasonably drawn from the data cited in this response that the aggregate leaks per year attributed to corrosion alone in proportion to the total amount of bare unprotected steel and coated unprotected steel remaining in the Bay State Gas Company distribution system has remained relatively constant. In other words, the rate of corrosion of unprotected bare steel and unprotected coated steel pipe has not increased.

Additionally, the reduction in total leaks per year attributed to corrosion during the period 2000-2004 has resulted in a reduced resource demand on Bay State Gas Company (fewer excavations per year needed to repair corrosion leaks).